

33. Living a Financial Discipleship: Connexional Team Budget 2009-10

Basic Information

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Status of Paper	Final
Resolution	<ol style="list-style-type: none"> 1. The Conference adopts the outline Connexional Team budget for 2009-10. 2. The Conference directs that the designation of the Training Assessment Fund be ended, releasing the remaining money contained within it for the general purposes of the Church.

Summary of Content

Subject and Aims	To summarise the proposed Connexional Team budget for 2009-10, provide information on how it was created, and to provide examples of proposed work.
Main Points	<p>Guide to the Report</p> <p>Financial Discipleship principles</p> <p>Implications for the Team in 2009-10: Core Costs and Priority Expenditure</p> <p>Striking the Balance: Criteria for Discernment</p> <p>Financial Implications</p> <p>Appendix 1: Training Assessment Fund</p> <p>Appendix 2: Cluster Working Examples.</p>
Background Context and Relevant Documents (with function)	<p>The budget is recommended by the Methodist Council (April 2009, paper MC/09/36).</p> <p>The financial framework for the Connexional Team, within which this proposal sits, is set out in Reconfiguring the Connexional Team: Team Focus 2005-08 (Agenda, 2007)</p> <p>The Church fund reserves policy, which forms the basis for the use of reserves in this proposal, is found in the same Conference paper, section 4.11-15 and in papers of the Methodist Council, 30-31 March 2007, Vol. 2, Part B: Team Focus Papers, Supporting Paper G: Reserves Within Connexional Funds, pp. 96-97</p>

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Risk	<p>Income estimates are particularly difficult. If they prove too optimistic, a greater drawdown of reserves would be necessary to sustain proposed expenditure.</p> <p>Not using the reserves as recommended risks difficulties with the Charity Commission and removes some incentive for Methodists to contribute to central funds of the Church in the future.</p>
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Guide to this Report

- i. The Connexional Team budget for the year 2009-10 looks significantly different from any previous one. This Report therefore provides some explanation of the thinking behind the construction of the budget, as well as the summary figures. This is a deficit budget and so some discussion is provided on the proposed pattern of drawing down reserves. Both the overall approach to the budget and the use of reserves have been worked out from frameworks set by the Conference in 2007 and 2008.
- ii. Scrutiny of the detailed figures that lie behind the summaries here has taken place through the new Finance Sub-Committee of the Strategy and Resources Committee (SRC), the SRC itself, and the Methodist Council. The budget is recommended to the Conference by the Council.
- iii. Section 1 sets out the fundamental principles of the financial discipleship the Team seeks to embody. Sections 2 and 3 set out the principles behind building up the different sections of the budget and provide practical illustrations of work relating to those principles (**in the bold-type sections**). Section 4 outlines the figures that result.
- iv. Appendix 1 addresses the particular issue of the Training Assessment Fund and its status as a designated fund. The Conference is asked to decide on its status, but that decision will not impact on the proposed budget for 2009-10.
- v. Appendix 2 provides some additional illustrations of key areas of work contained within the budget, arranged by staff cluster. Summaries of the roles of the various clusters are set out in the Connexional Team report to the Conference.
- vi. Elsewhere in its business, the Conference will consider the Report it requested concerning the staffing level of the World Church Relationships group. If the Conference is minded to accept the recommendations of that Report, they can be accommodated within the budget proposed here.

1. Financial Discipleship

- 1.1 The Connexional Team budget responds to the financial challenge to the Methodist Church of living as a body of disciples of Christ in the modern world. Aiming to work in a way which is modelled on a life of Christian discipleship requires the Team to recognise and respond to limitations set upon it, as well as the presenting opportunities. This aim requires focusing energy and resources on those areas which most effectively enable people and money to deliver, to the highest possible

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standard, that which the Team can uniquely or best offer to the wider Connexion.

1.2 This discipleship manifests itself in three particularly notable ways.

1.2.1 First, it requires a financial planning which allows the Team to fulfil the core duties asked of it by the Conference.¹ In essence, this involves ensuring, as far as funding can help, the successful execution of work which the Team must do to allow the whole Connexion to continue to provide an effective witness to the Gospel. Core functions allow the completion of the Team's basic supporting functions for Methodist churches, Circuits, Districts, regional training networks and governance bodies.

1.2.2 Secondly, financial discipleship requires the planning and foresight to provide financial freedom for the Team to pursue substantial pieces of work which enhance or add to the mission work of the wider Church. In particular, this work will be directed towards mission priorities identified each connexional year. For 2009-10 this priority will be the equipping of world-changing discipleship throughout the Methodist Church. The attempt to identify and pursue new challenges and opportunities such as this should enable greater steps across the Connexion to be taken in mission and in embodying Christian love than could be achieved by individual churches or other Church bodies alone.

1.2.3 Thirdly, responsible financial discipleship requires our looking at a larger picture than the Church's aims year by year and considers the long-term financial position of the Methodist people. This can cause the Team to encourage either greater spending or restrictions in our budget. Its impact will depend on circumstance, economic climate, and the requirements of an effective response to both the mission priorities of the Church and the uncertain financial position in which the Church finds itself.

2. Implications for the Team in 2009-10: Core Costs and Priority Expenditure

2.1 The Connexional Team budget for 2009-10 has been developed to achieve a financial discipleship that adheres to the above definition. The Team must remember that, being a connexional body funded primarily by the Methodist people in Local Churches, its responsibility to them is paramount.

¹Core Connexional Team costs were defined in *Reconfiguring the Connexional Team: Team Focus 2005-08* (Agenda, 2007) §2.16 as, "the full cost of employing and supporting the permanent staff of the Team and their work; Discipleship and Ministries expenditure (e.g. the costs of ministerial formation); costs arising from formal Church relationships (e.g. the World Methodist Council (WMC) and Churches Together in Britain and Ireland); the costs of connexional bodies organised through the Team (e.g. the Conference and the Methodist Council); the full costs of the regional Training Officers; the stipends of the district Chairs."

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2.2 Core Costs

2.2.1 The first clear result of all this is that core costs of the Team must be met. The expenditure in this year's budget has therefore been divided so that core costs are separated from the costs of other work, which has been labelled 'priority discretionary expenditure'.

2.2.2 Core costs cannot, however, be limited simply to providing the same level of efficiency and to using the same working systems as have previously been provided and used. The imperative of *Team Focus* that the Team minimise and simplify all its administrative procedures and working processes requires the budget to allow a service which is as efficient and comprehensive as possible. As a result of this, the strategic leaders have identified an aim for the working systems of the Team to be "highly professional and distinctively Christian". Money must be appropriately directed to ensure the most efficient facilitation of core functions so the mission aims of the Methodist Church can be most effectively pursued.

The Support Services core budget includes £20k to be provided for professional fees to allow staff to be trained properly in new IT systems relating to its finance department. The effective roll-out of a new purchase order system will require professional training and an investment of staff time. Proper use of the purchase order system will allow greater knowledge of and control over all which the Connexional Team spends. It will make the Team's budgeting process far quicker and more accurate than has ever previously been possible, dramatically reducing the drain on time and resources such work has previously caused, allowing staff to focus on work elsewhere. This training will also facilitate accurate financial forward planning. It will be possible to provide detailed estimates of the long-term cost of plans and ideas for new work, allowing far greater knowledge of the financial impact of work plan priorities throughout the Team.

2.2.3 There is a valid debate around where the limits of core functions lie. The Conference definition includes the employment and support of permanent staff and their work. This means the Connexional Team is required to make considered judgements as to how different aspects of its work fit into this core category. Allowing staff to do their jobs cannot simply mean that the Team employs them to sit in Methodist Church House or Central Buildings, Manchester and provide basic, responsive, administrative support to the wider Church. Rather, in order to fulfil the requirements of Team job descriptions, staff must be given the working and financial freedom to make the most of their roles. They must drive forward work according to the boundaries set in their job descriptions and instigate developmental or new work.

The budget for the Discipleship and Ministries (D&M) cluster includes provision for three full-time staff to support and develop the Church's Children and Youth work. The Children & Youth budget includes provision for new, developmental work on JMA and World Action – two programmes which seek to incorporate children and young people into the mission of the World Church and, in turn, to enrich their everyday discipleship with perspectives and insights drawn from the World Church. This new work will involve consultations with children, young people, JMA Secretaries and other stakeholders across the Connexion, working collaboratively with the World Church Relationships staff in the Christian Communication, Evangelism and Advocacy (CCE&A) cluster. Areas such as this demonstrate the innovative work performed by members of the Team as an expression of the core tasks given to the Team by the Conference.

2.2.4 The second clear result of the Team's duty to the Methodist people takes into account the second and third aspects of financial discipleship identified in Section 1. The Team must be aware of its financial limitations, particularly in light of the recent critical downturn in the global economy. The Connexional Team is appreciative of the financial stability it possesses because of the faithful provision of the district assessments. According to the financial framework adopted by the 2007 Conference, the majority of core costs are to be covered through the assessments to ensure that the resources for this work are as stable and predictable as possible.² This support allows the Team to plan better and with greater confidence than most charitable organisations.

2.3 Priority Discretionary Expenditure

2.3.1 Work which is outside the strict definition of core costs has been added into the budget under the priority discretionary category. According to the same agreed financial framework for the Team, this work will be funded by less stable income than that which supports core costs.

2.3.2 The Team therefore recognises that levels of funds to support priority discretionary work are not guaranteed from year to year, since the income we receive from such sources as legacies and investments is difficult to predict and will almost certainly reduce in the immediate years ahead. For this reason, work categorised as priority discretionary will require a greater level of flexibility from year to year.

2.3.3 At the same time as acknowledging this limitation, a balance must be struck. The Team believes it should not simply abandon work because of a false idea of protecting security or a notion of financial stewardship which seeks to store up

²For details on this framework, see *Reconfiguring the Connexional Team: Team Focus 2005-08*, (Agenda, 2007) Section 4 and the paper, *Proposed Connexional Team Budget 2009-10* (Council Agenda for April 2009) pp.26ff.

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or protect our worldly material treasures in ways warned against in Scripture. In order to answer God's call and to do God's will, a stewardship that does more than protect our assets is required. There are times and purposes for which it is responsible stewardship to spend accumulated reserves rather than make a balanced budget the principal aim. The Conference has already recognised this in supporting projects such as the Youth Participation Strategy.

2.3.4 The budget planning process for the Team has therefore been constructed around a critical review of all ongoing priorities of Team work and the identification of new ones in line with the Church's calling in response to the Gospel. This has involved listening to God through the Church to discern what we need to do in the near future to take the work of Methodism forward, delivering resources beyond the basic definition of the core functions of the Team.

2.3.5 The SRC and Methodist Council have both taken an active part in the discernment process for this budget proposal, debating a number of key decisions around the critical need for certain priority discretionary expenditure in 2009-10. The budget proposal before the Conference therefore contains within it only significant priority discretionary expenditure which has been identified by Team staff as supporting key mission priorities for the Team and which has received the support of the Council.

3. Striking the Balance: Criteria for Discernment

3.1 Defining where limits should be set and what work should be pursued above and beyond that which is defined as the Team's core functions requires establishing criteria for prioritising this additional work.

3.2 The following section sets out the criteria by which this definition of limits has been achieved for the connexional year 2009-10:

3.2.1 Priorities for the Methodist Church

As required by the Conference, the key outcome is that money supports the Connexion in delivering work that promotes the *Priorities for the Methodist Church*.³ Striving for this outcome provides the fundamental basis for the task of prioritising work towards which money has been channelled. Throughout the budget will be found an emphasis on work which drives forward mission aims in the areas of worship, learning and caring, service, and evangelism.

The Priorities emphasise the encouragement of 'fresh ways of being Church'

³ *Reconfiguring the Connexional Team: Team Focus 2005-08 (Agenda, 2007) Section 4.*

and nurturing 'a culture in the Church which is people-centred'. This renewal is at the heart of the Youth Participation Strategy, which is held within the D&M cluster budget. The Strategy forms a key part of a wider programme of engaging with children and young people in their distinctive sub-cultures in ways that draw them towards an encounter with Christ, while equipping the Church to change in response to their concerns and aspirations. The Strategy involves each District employing one young person aged between 16 and 23 on a year-long gap placement. These young people will be supported by full-time Regional Participation Workers and by a Participation Development Officer and two Participation Workers in the D&M cluster. The Strategy's vision of youth participation at all levels of the Church also includes a full-time Youth President, selected annually. All the young people involved will be supported in developing networks within their peer groups, and will be enabled to bring to the attention of the wider Church those issues that are prevalent in the lives of young people and their communities.

3.2.2 Specific Work Priorities Set by the Conference

The overarching aims in the *Priorities* document have been distilled by the Conference into emphases on particular practical tasks and specific areas of short and long-term work. This distilling process has provided clear direction for budget planning. These emphases include embedding best practice in Equalities and Diversity (E&D), becoming a communications hub for the whole Connexion, and significantly shifting working emphasis onto children and young people, the missing generation and world church relationships. The budget for 2009-10 seeks to reflect these emphases.

3.2.3 Work Plan

A key document for discerning how best to translate the overarching aims of the *Priorities* into specific objectives when planning expenditure across the Team has been the Connexional Team work plan. The work plan approved by the Methodist Council in October 2008 will continue to be followed into the next connexional year and a new one prepared during that year. The work plan will not be finalised until after the decisions of Conference this year have been made, so that the work plan can reflect these. The work plan will set out the practical ramifications of Conference and Council decisions and categorise each in terms of priority, according to how work reflects a pressing response to the *Priorities* in line with the *Our Calling* document. In accordance with this, each cluster has budgeted to pursue work which is of particular priority within the work plan.

Instructed by the Conference to complete preparatory work in this area in the

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current connexional year, the Projects cluster has prioritised in its work plan the completion of the transition project on Methodist Heritage. For the first time, in 2009-10 a new Methodist Heritage Officer, a new Methodist Heritage Committee and the provision of considerable resources will bring together coherent, effective oversight of Heritage and Archives and History work in the Connexion. These provisions will support Methodist Heritage centrally through grants (via the Connexional Grants Committee), events and wider heritage site support to enable the development of Methodist Heritage in all its forms as a vital tool for the mission of the Church. Methodist Heritage will serve to promote concern for and understanding of our shared history as a vital part of Methodist identity and harness our past as an aid for evangelism now and in the future.

3.2.4 “Exciting, Experimental Enterprises” (E³)

Across the spectrum of Team work, there has been a particular concern to provide sufficient resources to realise the *Team Focus* objective that we deliver a marked shift towards supporting innovation and priming creative responses to the overriding challenge of being the Church, prioritising inventiveness, creativity and the taking of risks.⁴ Income which we receive from sources other than the district assessment and fund charges will be directed, wherever possible and desirable, towards innovative, challenging new work. This work will have the potential to provide pioneering steps in pursuit of the Priorities and the key mission aims of the Methodist Church.

The Projects cluster contains within its priority discretionary budget approximately £125k for the instigation of the Belonging Together project. Ensuring the project can go ahead will require the honing of ideas and of potential into specific aims and objectives and the development of a project outline and a work programme which can be shown to be of clear connexional significance. If this can be done, Belonging Together could provide for the whole Church an innovative, developmental way of providing resources, education and sharing in the field of Equalities & Diversity (E&D). The Belonging Together concept seeks to ask how we can improve the Church’s attitude to diversity, driving Methodism forward to the point of embracing and seeking to learn from Methodist communities in Britain whose members are of different ethnic or language backgrounds. If a suitable project outline can be developed in 2008-09, the project will begin in 2009-10 and will have the purpose of enhancing our approach to E&D through developing a new level of understanding of the diversity of British Methodism. This will ensure that across the Connexion, in regional training networks and throughout the Team, new ways of working that go beyond standard E&D approaches are found, looking at diversity as a gift to be nurtured.

3.2.5 Mission Priority: Discipleship

⁴ *Reconfiguring the Connexional Team: Team Focus 2005-08* (Agenda, 2007) Section 2.53 set the objective that the Team become a seed-bed for innovation and risk-taking, mission-focussed activities.

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With the support of the Methodist Council, the Team has proposed that a critical criterion for prioritising the channelling of funds in 2009-10 be a specific mission priority. Within the framework of the Priorities, an emphasis on promoting a deepening of the culture of discipleship within the Church has been chosen as the particular objective for 2009-10, as the beginning of a longer period of focus on discipleship in general. Such a focus should facilitate the equipping of the Methodist people to deepen their own understanding and experience of what it means to be a disciple of Christ in all aspects of their lives. The Team's hope is to equip and enable world-changing disciples, and thus priority will be given in discretionary costs for work which enables and promotes this emphasis.

Throughout the priority discretionary budgets of the Team will be found provision for developmental projects and innovative work to advocate and promote the Church's efforts to equip and enable the world-changing discipleship of all those whom the Church can reach. Taking the CCE&A cluster as an example, the Evangelism, Spirituality and Discipleship (ESD) team has included within its budget provision to set up a group to formulate and pilot a catechesis resource for adults, money to develop the Disciple training programme, and also to fund a new project to develop, ecumenically, a faith-sharing resource. Within the communications team, in addition to established resources such as the Prayer Handbook, there are plans to finance two new editions of the '...In Your Pocket' series, which provide themed introductions to various aspects of discipleship and address how these might impact on the daily lives of Methodists. In the Joint Public Issues Team (JPIT) budget is found provision for financing new work on climate change. This emerges from the Methodist Council's instruction that a report on theology and climate change be presented to the Conference. That report, called Hope in God's Future: Christian Discipleship in the Context of Climate Change, will, if adopted, instigate work within the Team to equip Christians, both individually and corporately as Church, to respond to the challenge of climate change practically and theologically in their lives as an aspect of their own discipleship.

4. Financial Implications

4.1 Considerations

- 4.1.1 A financial plan for the Connexional Team which can truly be understood as promoting and embodying a form of financial discipleship must work on the above principles and criteria, balancing the desire to fulfil mission aims with the reality of available funds. This has led to difficult decisions. Financial restrictions and proper discernment of that which the Team can best or uniquely offer means we have

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chosen to defer work and limit that which we expect to do in 2009-10. However, the duty of discipleship calls on the Team not to shy away from its responsibility to do all that it can up to the boundaries of its limitations.

4.1.2 The following sections describe a number of the practical financial repercussions of the Team's considered response to its limits, its calling and its instructions.

4.2 Core Costs: Charges

4.2.1 The 2007 financial framework for the Connexional Team warned against consuming additional resources which could be better used in promoting the Church's mission aims elsewhere. In line with this imperative, the Conference asked for the core costs of the Team to be reduced by around 30%. While two areas of the Team involving a substantial number of staff have yet to be reviewed against the *Team Focus* principles, the 2009-10 budget does substantially meet that target. So much has changed within the Team's structure and funding arrangements that precise comparisons of costs are not straightforward, but it is clear that a reduction of over 20% has already been achieved.

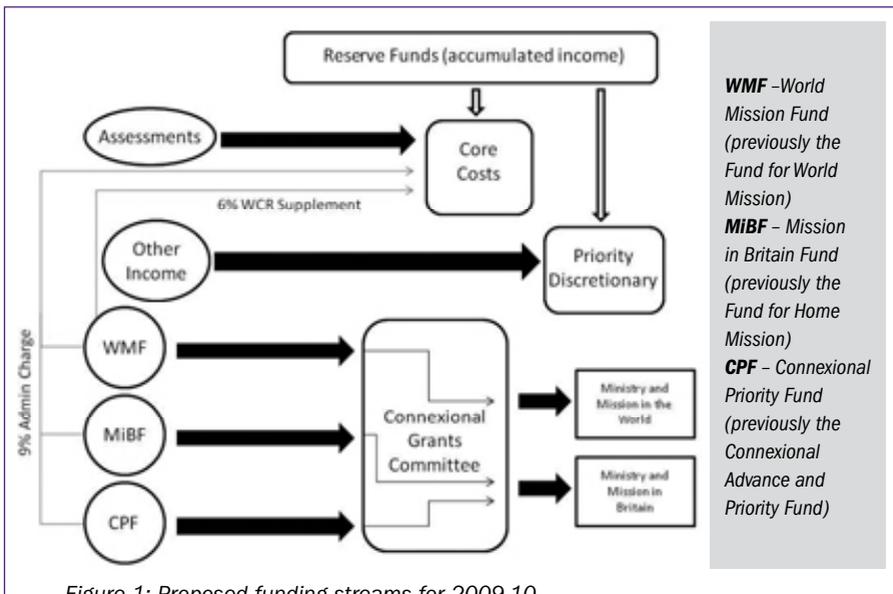


Figure 1: Proposed funding streams for 2009-10

4.2.2 The 2007 Conference agreed a new financial framework for the Team's work which

would make much clearer the uses to which any particular income stream was being put. For core costs there was the additional ambition to ensure funding from very reliable funding streams. It was agreed that core costs of the Team should be met predominantly by the district assessments, which for 2009-10 will provide £12m. In addition, applying a charge to the major funds for their management by Team staff and systems was agreed in principle, in line with the vast majority of charitable organisations and grant-giving bodies. This simplified financial framework, as it is applied in the proposed budget for 2009-10, is shown diagrammatically in Figure 1.

4.2.3 An administration charge has been worked out from available figures for this year's expenditure and set at 9% for each of the major funds, as a reasonable figure calculated to cover the known direct costs of administering and managing those funds.

4.2.4 In addition to the 9% administration charge, the World Mission Fund (WMF) will contribute a further 6% to core costs. This 6% is a World Church Relationships Supplement which is given in recognition that WMF, unlike the others, does not exist simply to give grants. Under SO 362 WMF is set out as a fund for the broader tasks of partnership development, including the provision of staffing for that purpose. Its remit therefore clearly exceeds that of other grant-making funds. The consequent costs of providing the staffing and resources to develop partnerships throughout the world require a greater amount of the fund to be directed towards core costs of the Team, from which provisions for this broad remit of work is resourced.

4.2.5 The setting of the two figures of 9% and 6% has been scrutinised by the SRC Finance Sub-Committee, the SRC and the Methodist Council, and has been recommended to the Conference as an appropriate contribution from the various funds in light of their proven costs. In total, it is estimated that these charges will contribute £1.07m towards the core costs of the Team.

4.3 Core Costs: Use of Reserves

4.3.1 Although this reduction and rationalisation process has been achieved and the core costs of the Team will be largely covered by the assessments and fund charges as set out above, certain notable factors mean that core costs for 2009-10 are still not fully covered in this way. The strategic leaders of the Team have therefore recognised that the use of reserves will be necessary in 2009-10 for the support of core functions.

4.3.2 The principal reasons for this are threefold:

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- 4.3.3 First, the transition instigated by *Team Focus* is not yet complete, and will not be so by the beginning of the year 2009-10. In a number of areas, Team Focus reconfigurations were deliberately delayed until its initial stages has been completed; in others the transition process took longer to complete than was predicted in 2007 and subsequently later aspects of reconfiguration work had to be delayed. Because the reconfiguration of the whole Team will not have been completed, the budget for 2009-10 cannot take into account all of the monetary savings that will result from the streamlining of staffing, functions, and processes that will ultimately result from the reconfiguration.
- 4.3.4 Secondly, external factors mean that the cost to the Team of each post holder's pension contributions will rise significantly from that in 2008-09. This was not previously anticipated. For 2009-10, pension contributions on behalf of Team staff are anticipated to be around £0.5m higher than previously expected.
- 4.3.5 Thirdly, the SRC has maintained the position that financial difficulties should not be eased by making redundant any staff who had been through the redeployment process of Team Focus and brought into post only in the current year.
- 4.3.6 Because of these factors the budget proposal before the Conference recognises that the core costs of the Team, budgeted at £13.72m, are likely to exceed income from the assessments and charges on funds by £0.65m. This deficit will therefore be covered by drawing down £0.65m from reserves in the general Methodist Church Fund.

4.4 Priority Discretionary Costs: Use of Reserve Funds

- 4.4.1 The rationalisation of Team funding streams described above is designed to direct less reliable income, above and beyond the district assessments and charges to funds, for the provision of grants, both home-based and international, and for funding innovative new work. Section 3 of this document sets out the selection process by which additional work to the Team's core functions has been prioritised, and thus which direction funds from sources other than the assessments and charges should take within the budget for 2009-10.
- 4.4.2 It is, however, evident that a draw on reserves will also be necessary in order to achieve the priority discretionary work that the Team proposes for 2009-10 and which the SRC and the Methodist Council have recommended they pursue. This is primarily the case because of the current economic recession. Although the estimated income for 2009-10 remains broadly the same in terms of district assessments as in 2008-09, all other estimates are significantly lower. In comparison with 2008-9, income from investment, the major funds (WMF, Mission

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in Britain Fund (MiBF) and the Connexional Priority Fund (CPF) and legacies is expected to reduce by around £2.5m.

4.4.3 The use of reserves as set out above is demonstrated in Figure 1 above, which illustrates the proposed funding streams for 2009-10.

4.4.4 The proposed budget for 2009-10 therefore suggests drawing down £2m from reserves for priority discretionary work. It is suggested that £1.72m be taken from the Training Assessment Fund (TAF) for work specifically within the remit of the Discipleship and Ministries Cluster, where it relates to training and development work, which conforms to the designation of that fund. In addition, it is suggested that £0.28m is taken from the reserves of the CPF specifically for work relating to Venture FX (previously known as the Pioneer Ministries project).

4.4.5 In addition to this, it is proposed that funds directed through the Connexional Grants Committee be supplemented with £0.6m from CPF reserves and £1.74m from WMF reserves. The significant draw down from WMF reserves is in line with the Conference policy on reserves and recognises the need for the value of grants money to be maintained for partner Churches; the sterling cost of doing this is increased by the fall in the pound. In addition, it is proposed that £0.25m will be directed specifically from this draw on WMF reserves for the holding of an all-partners consultation event in 2010 to coincide with the centenary of the 1910 Edinburgh Mission Conference.

In May 2009 the last of the Overseas Districts of the Methodist Church in Britain will become autonomous. This gives us a clear opportunity and, indeed, provokes us to consider what it means to be the Methodist Missionary Society in the 21st Century. The modern missionary movement was reconfigured following the formative Edinburgh Conference 1910 and 100 years on from that seems an opportune time to reconfigure our understanding of mission. Further, we have reconfigured our Connexional Team structures and this has emphasised how important our relationships with the world wide body of Christians is to Methodists. With this in mind, the proposed budget for 2009-10 contains £250k for an all partners consultation event. This consultation will enable us to look at significant issues with our partners. A priority concern on which the event will seek to make significant working progress will be the good use of resources, and in particular financial resources, to ensure we are using them wisely and not creating dependency. There are many questions around grants and dependency, accountability and capacity building, autonomy and responsibility, (of/and) wealth and poverty. Also, the very real issue of congregations who are forming around cultural and language needs within our midst will be an important focus for work and discussion.

To work with our partners from all of the countries in which Methodism plays

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a part on what our mission can be in this world together and separately is timely indeed. The event, which will allow this to happen, therefore comes recommended particularly by the General Secretary, the Secretary for External Relationships, and the Methodist Council.

- 4.4.6 It should be reiterated that costs identified as outside of core functions encompass a great deal of work which, by definitions set out by the Conference in Team Focus literature and by the considered judgements of the Methodist Council, is still essential. Drawing down from reserves for priority discretionary costs allows the Team to achieve work which flows naturally from Conference decisions. This includes Fresh Expressions and the Youth Participation Strategy. The distinction of core and priority discretionary in this budget is emphatically not a distinction between the essential and the peripheral.

Priority discretionary work is often pressing or even essential for the proper functioning of the Team in fulfilling its working duties and responsibility to the Connexion. As a prime example, that which is not core in its strict definition encompasses almost all functions of the Projects cluster. To decide that only core functions should be budgeted for and that priority discretionary work should be cut to save the draw on reserves old therefore leave the Team unable to deliver key mission work for which Team Focus reconfigured the Connexional Team. In just this one area, vital functions such as completing the remaining essentials of the Team Focus process, developing our work on Venture FX (previously Pioneer Ministries), and establishing a project to address the missing generation issue would be unachievable. In short, the Team would be unable to provide the service required of it.

4.5 Use of Accumulated Income: General

- 4.5.1 Although drawing on reserves is unlikely to be regarded as an ideal, the need to do so was anticipated and is in strict conformity with the reserves policy set by the Conference during Team Focus. This policy recognises the need to use accumulated income in order to achieve important work and accepts that money not spent is money not used for the mission of the Church.⁵
- 4.5.2 The reserves policy for Church funds is in line with the Charity Commission directive that trustees have a general legal duty to apply charity funds within reasonable time of receiving them, and that 'apply' can, in practice, be taken to mean 'expend' for

⁵ For the reserves policy, see *Reconfiguring the Connexional Team: Team Focus 2005-08* (Agenda, 2007) Section 4.11-15; The Methodist Council, 30-31 March 2007, Vol. 2, Part B: Team Focus Papers, Supporting Paper G: *Reserve Within Connexional Funds*, pp. 96-97; The Methodist Council, 3-4 April 2009: *Proposed Connexional Team Budget 2009-10*, tabled paper on reserves policy.

the majority of income funds.

- 4.5.3 At the same time as accepting the need to reduce the reserve funds the Church holds, the Team, the SRC and the Methodist Council all recognise that the proposed use of reserve funds in the budget for 2009-10 represents a pattern that cannot be sustained beyond a small number of years. Indeed, it must be tapered in a carefully planned manner. Reserve funds will quickly become depleted if the rate of use suggested is sustained. Although this depletion is in line with the reserves policy described, it is important to recognise that a natural result of this is that the capacity of the Team to continue priority discretionary work at the level suggested for 2009-10 may not be the same in subsequent years. In the longer term, the ability to continue the proposed levels of priority discretionary work for 2009-10 beyond that year hinges on the success of the Church's commitments to develop greater confidence and spiritual and numerical growth, with resultant improvements in available income.

5. Living a Financial Discipleship

- 5.1 Figure 2 summarises the budget proposal. The first section relates to core costs; the second to priority discretionary expenditure and the third section to the expenditure via the Connexional Grants Committee. Of the total proposed funding, £26.5m is from expected income in 2009-10 and £5m from various forms of reserves.

Figure 2: Budget Summary

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Resources Available	£ m	Expenditure	£ m
Assessment	12.00	Core Costs	13.72
Charge/Supplement (9%/ 6%)	1.07		
<i>MCF*</i>	<u>0.65</u>		
	13.72		13.72
Variable Income	4.50	Priority Discretionary	6.25
<i>TAF*</i>	1.72	InnovationE ³	0.25
<i>CPF*</i>	<u>0.28</u>		
	6.50		6.50
		<i>Connexional Grants Ctee</i>	
World: WMF	3.42	WCR Grants	4.91
<i>WMF*</i>	1.74	Partners Conference	0.25
Britain: MiBF	1.15	CPF Distribution to DAF's	1.57
CPF	3.13	CPF to CGC	2.16
<i>CPF*</i>	0.60	Other MiB Grants	2.35
Other	<u>1.20</u>		
	11.24		11.24
<i>Total Available</i>	31.46	<i>Total Expenditure</i>	31.46

(*) Figures with an asterisk indicate a drawdown from reserve funds; the other figures under "Resources Available" are all from income expected in 2009-10

- 5.2 The Connexional Team, with the support of the SRC and the Methodist Council present the proposed budget for 2009-10 to the Conference in light of the above considerations. It is the Team's belief that the proposed expenditure represents a responsible stewardship of the Church's resources that fulfils our role as servants of the corporate Body of Christ.

***RESOLUTION

- 33/1.** The Conference adopted the outline Connexional Team budget for 2009-10.

Appendix 1: Training Assessment Fund

A1.1 Background

- A1.1.1. The Training Assessment Fund (TAF) was set up in 2002 for a period of five years to provide funding for pre-ordination training across the Connexion. The assessment was based on the 2002 numbers of students as well as allowing for an increase in that number.
- A1.1.2 The TAF accumulated over the five year period as fewer candidates were accepted than even the 2002 levels. This led to the TAF containing a total of around £6m by 2007.
- A1.1.3 In order to further the agreed outcomes of the Training Institutions Review Group report it was decided by the SRC to utilise the TAF to set up the new Methodist Training Forums and make funding available for the creation of centres of Methodist scholarship. This included money for the development of new courses, for postdoctoral research, for the pump-priming of a Student Hardship Fund, as well as to provide money for the running of the Training Networks themselves. It was initially agreed that this funding would be in place for three years, coming to a total expenditure from the TAF of over £3m, leaving a balance of approx. £2.5m in the TAF.
- A1.1.4 In March 2008 the SRC froze any further spending from the TAF and indicated it would look again at this matter in March 2009. It did this and in proposing the 2009-10 budget the SRC recommended a drawdown from the TAF.

A1.2 Current Position

- A1.2.1 The SRC now believes the TAF is not necessary for its original purpose or for further one-off grants only to Training Networks. It therefore recommends that, as with any designated fund which is no longer required for its original purpose, the TAF should now be undesignated in order to maximise flexibility in Church expenditure.
- A1.2.2 It should be noted that removing the designation on this fund:
- ∞ will not prevent this money from going to Training Networks, if they provide the highest identified priority
 - ∞ will not compromise the funding already allocated for training purposes by the Council
 - ∞ is not an assumed decision in the proposed Connexional Team budget for 2009-10, which uses the TAF for its designated purposes as they currently stand.

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A1.2.3 The Methodist Council noted the minutes of the SRC on this matter, but did not debate or specifically approve this recommendation relating to the TAF, since insufficient information was available at the April 2009 meeting for this purpose. Instead, the Council agreed that decisions on this matter should be deferred to the Conference.

***RESOLUTION

33/2. The Conference directed that the Training Assessment Fund be redesignated, releasing the remaining funds for the purposes of training and education for the whole church.

Reasoned Statement

The Conference has given to the Regional Training Forums the responsibility of providing training across the Connexion, in order to implement a number of recent Connexional policies and strategies that are central to the life of our church.

The vision for the Forums is for them to be an effective conduit for the sharing of resources across the Connexion, recognising that we need to become ever more fully “a learning community”.

Conference, therefore, recognising the crucial role of the Training Forums, believes that their work should be adequately resourced and directs that the re-designated fund be used to help in this.

Appendix 2: Cluster Working Examples

A2.i In each of the Connexional Team clusters, budget submissions have been formulated to support and enable the strategic aims of that cluster to be achieved, with specific objectives and outcomes in mind as desirable results of achieving those aims. The Connexional Team Report to the Conference sets out summaries of the aims and objectives for each cluster. This appendix provides some further key examples of how the proposed budget will be used to ensure specific objectives for the year can be achieved.

A2.1 **Projects Cluster** (*Staff: 16.5 full-time equivalents (fte), of which 11.5 fixed-term projects staff*)

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A2.1.1 The evolution of the Women's Network was instigated by Team Focus and will continue in 2009-10 as a Projects Cluster priority. The project seeks to formulate a new structure for the movement which enables it to stand alone, whilst establishing appropriate links to other Church bodies and to the Connexional Team. The budget for this project seeks to provide the necessary resources to continue to assure that on which Women's Network has built its reputation and to go beyond basic working functions to provide a creative and interactive developmental programme. This will provide the long-term means to empower women, locally and across the world, to fulfil their potential and which will work towards creating a truly inclusive Church. Important aspects of this work indicated in the budget for 2009-10 include £20k to hold a conference in collaboration with the World Federation of Methodist and Uniting Church Women. This will draw people together to allow the nourishing and nurture of work that supports the Women's Network project and its development and will equip delegates with training and information in order to embed this support.

A2.1.2 The connexional project called Inspire Network is a brand new piece of work, due to be launched at the start of the connexional year 2009-10. Provision has been put into the Projects cluster budget to develop what could become an important resource for nurturing 'mission spirituality' amongst the leaders of Methodist congregations across the Connexion. Inspire will seek to work with ecumenical partners to create a school and a series of 'bands' which train and support spiritual leaders as they engage in evangelistic mission in their particular contexts.

A2.2 Discipleship and Ministries Cluster (*Staff: 11.5 fte and 43 additional staff relating to Youth Participation Strategy work*)

A2.2.1 The cluster's overall emphasis on equipping ministries to equip discipleship can be illustrated by taking the cluster's learning and development work as an example.

A2.2.2 The majority of the cluster's budget is dedicated to the initial, continuing and reflective development of ordained and authorised ministers. Many of these resources will be channelled through the regional training networks. Connexional learning and development priorities focused on discipleship will guide the regional training networks to focus on providing learning and development provision which equips ordained and authorised ministers systematically to nurture and engage with the discipleship of the people of God in their locality. A component of the undeveloped learning and development budget will be used to develop strategies to ensure that this learning and

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development provision is available beyond the traditional leaders of the Church, to all those who exercise local worship-leading, teaching, pastoral and evangelistic ministries.

- A2.2.3 New emphasis within the budget for the continuing learning and development of ordained ministers is placed on equipping superintendent ministers, acknowledging their role as key leaders in the Church. Existing learning and development schemes have targeted approximately 25% of superintendents each connexional year. New schemes will aim to incorporate all superintendents on an annual basis. They will also seek to provide a holistic pattern of provision, including discernment of the call to superintendency, pre-selection provision, induction provision and continuing learning, development and support. Working collaboratively with the regional training networks, the D&M cluster will facilitate the development of a community of practice within which superintendents can share experiences and knowledge and accumulate skills and understanding.

A2.3 Christian Communication, Evangelism and Advocacy Cluster *(Staff: 40.9 fte)*

- A2.3.1 In 2009-10 significant resources will be channelled into efforts to create a cross-Team fundraising strategy for the whole Church and to instigate processes and develop resources that allow that strategy to become as effective as possible. Within the fundraising section of the CCE&A budget has therefore been provided a minimum of £12k for purchasing new fundraising software systems, which will allow integrated and efficient donor database to be created. In addition, up to £83k is included in the priority discretionary fundraising budget for the proposed development of materials and resources for a new connexion-wide fundraising campaign called Send the Light (working title). This campaign, if approved, would seek to update the Team's approach to fundraising, providing a modern, professional service integrated into the mission aims of the Church and the communications strategy of the Team. As part of a broader fundraising strategy Send the Light will focus on encouraging the regular monthly giving from Methodist members for local, national and worldwide mission purposes. It aims to bring into the general funds of the Church more sustainable, reliable income from giving, and to significantly increase the level of income which is gift aided.
- A2.3.2 A key area in the budget for CCE&A is to establish Methodist Publishing as a cost effective operation and to deliver, according to the criteria which the SRC has defined, a focused service for the Methodist people. This will involve the transfer of continuing mph functions into the Team to create a seamless, integrated process that unites design and distribution functions in Peterborough

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and London. Work in this area will also ensure the informed development of Methodist publications that support and disseminate the work of the Team or of the governance bodies of the Church and which develop and equip whole-life, world-changing disciples.

A2.4 Governance Support Cluster *(Staff: 8.7 fte)*

A2.4.1 A significant development in the Governance Support budget for 2009-10 is the provision for one full-time member of staff and one transitional post to develop the Church's ability to grasp the challenges faced by developments in the area of Equalities and Diversity (E&D). In addition, new networks will be created and supported to enhance the work of these Officers. It will be the aim of the E&D Officers to ensure that the Connexional Team operates in an inclusive manner, respecting people's equality and diversity, and that it complies with legal requirements in these fields. They will finalise the development of and keep under review an Equal Opportunities Policy (EOP) for the Methodist Church, enabling the implementation of EOP action plans for the Connexional Team and governance bodies of the Methodist Church. The Officers will also help to implement the EOP throughout the Connexion and develop training policies with Districts and training institutions which will encourage inclusion, participation and leadership development.

A2.4.2 The Governance Support budget this year seeks to provide sufficient funds for the increase in size and scope of the annual ecumenical Safeguarding conference for district and diocesan advisers. The event has been expanded from a one-day meeting to a two-day residential event, which will extend discussion and training in safeguarding issues from matters of the safeguarding of vulnerable children to the safeguarding of vulnerable adults, which has not previously been addressed at this conference. The provision of increased funding (the cost of which will be later retrieved through delegates' fees and sponsorship) to expand the scope of the meeting is an important step in the recognition of the breadth of the Church's responsibility to protect all members of society who are unable to protect themselves.

A2.5 Support Services Cluster Staff: *69.7 fte (of which 14 in Finance; 23.6 in Admin Support; 9 in Development and Personnel; 14.1 in the Manchester office)*

A2.5.1 A key area of change in the Team has been the creation of the Development and Personnel (D&P) sub-cluster, which has responsibilities relating both to lay employees in the Team and wider ministerial discernment and selection. To ensure the proper provision of support to ministerial and lay appointees, a Well-Being Officer has been added to the D&P team. Finances have been directed to

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fund this post and work associated with it specifically to promote a culture that reflects our Christian identity and protects the physical, spiritual, psychological and emotional well-being of those working for the Church. This work relates to those working in the Connexional Team and throughout the wider Connexion. The Officer will, for example, monitor the implementation of policies and practices which impact on the development of healthy working cultures in the Districts. Where assistance can be most appropriately offered, the Officer will travel throughout the Connexion to identify areas for development in well-being matters and advise on the implementation of best practice.

- A2.5.2 A continuing function of Support Services in 2009-10 will be to provide increased D&P support for the review and reconfiguration of the Team's Manchester office. This will ensure the implementation of the final stages of Team Focus can take place. To support this implementation work, Support Services has budgeted for additional transition support staffing in the D&P office for 2009-10. The review will also impact on permanent Support Services costs. In 2009-10, for the first time, the Support Services cluster will administer the grants-giving processes for almost all funds that are distributed by the Connexion through the Connexional Grants Committee. Two full time Grants Officers will work within a coordinated grants giving process across the Church. In addition, Support Services has allocated additional funds for the employment of a fixed-term transitional Grants Officer to enable the transition into the new connexional grants processes.